

CITY OF ATLANTA DEFINED BENEFIT
PENSION INVESTMENT BOARD MEETING

April 19, 2023

Atlanta City Hall Committee Room 1

10:00 A.M – 12:00 P.M.

Investment Board Members

David Brand	Chairman	Present
Lisa Gordon	Vice-Chairman	Present
Mohamed Balla	City of Atlanta, CFO	Present
Tarlesha Smith	City of Atlanta, HR Commissioner	Absent
Antonio Lewis	Atlanta City Council Member	Present
Howard Shook	Atlanta City Council Member	Absent
Jason Winston	Atlanta City Council Member	Present
Alfred Berry, Jr.	General Employees' Pension Plan – City	Present
Lisa Bracken	General Employees' Pension Plan – APS	Present
Quentin Hutchins	General Employees' Pension Plan – APS	Absent
Brent Hullender	Fire Fighters' Pension Plan	Virtual
Rick Light	Police Officers' Pension Plan	Present

Others Present

Mary Shah	Strategic Benefits Advisors
Lori Pocock	Strategic Benefits Advisors
Eric Dec	City of Atlanta, Legal
Youlanda Carr	City of Atlanta, Deputy CFO
Marlo Crossley	City of Atlanta, Finance
Pamela Goins	City of Atlanta, Finance
Fumnanya Johnson	City of Atlanta, Finance
Delisha Robinson	City of Atlanta, Finance
Karen Sutton	City of Atlanta, Finance
Michael Naftaniel	City of Atlanta, Employee Benefits Director
Agatha Hector	City of Atlanta, Pension Administration
Rosie Woods	City of Atlanta, Pension Administration
Ed Emerson	Morris, Manning & Martin
Kweku Obed	Marquette Associates
Jeanette Cooper	Segal
Courtney Murphy	President, Atlanta Police Officers' Union
Katie Riester	Vice President, Atlanta Police Officers' Union
Benjamin Hymes	Legato
Derek Batts	Union Heritage
Jason Simpson	Garcia Hamilton
Lauren Albanese	FIN News
Stephanie Roberts	Garcia Hamilton
William Roach	Globalt

I. CALL TO ORDER

Chairman Brand called the meeting to order at 10:20 a.m. Chairman Brand noted that a quorum was present for the meeting and the meeting was being held both in-person and via Webex Teleconference. It was also noted that Investment Managers were in attendance.

II. ADOPTION OF AGENDA

A motion was made by Ms. Gordon to approve the Agenda as presented. The motion was seconded by Mr. Berry. The motion unanimously carried and the Agenda was approved.

III. PUBLIC COMMENT

There was no Public Comment.

IV. APPROVAL OF PREVIOUS MEETING MINUTES

The Board reviewed the Minutes of the March 16, 2023 regularly scheduled meeting which were distributed in advance and reviewed by the Fund Professionals as customary.

Following review of the March 16, 2023 Minutes, a motion was made by Ms. Gordon to approve the Minutes as written. The motion was seconded by Mr. Berry. The motion unanimously carried and the March Minutes were approved.

V. ATTORNEY'S REPORT

Mr. Dec updated the Board on the Celsius securities litigation. He noted that the case has survived a Motion to Dismiss and is now in the Discovery phase. The case has been fast tracked and the trial is set for September 26, 2023.

Mr. Emerson noted that since the Pension Plan Design study (discussed later in the meeting) is a Plan Sponsor function, the fees incurred for the study should be paid by the City instead of the Pension Plans.

VI. INVESTMENT CONSULTANT REPORT – *Marquette Associates*

Mr. Obed walked through the market environment and performance for the three Plans. He stated that there has been a welcome return to good returns in the market.

Year-to-date returns

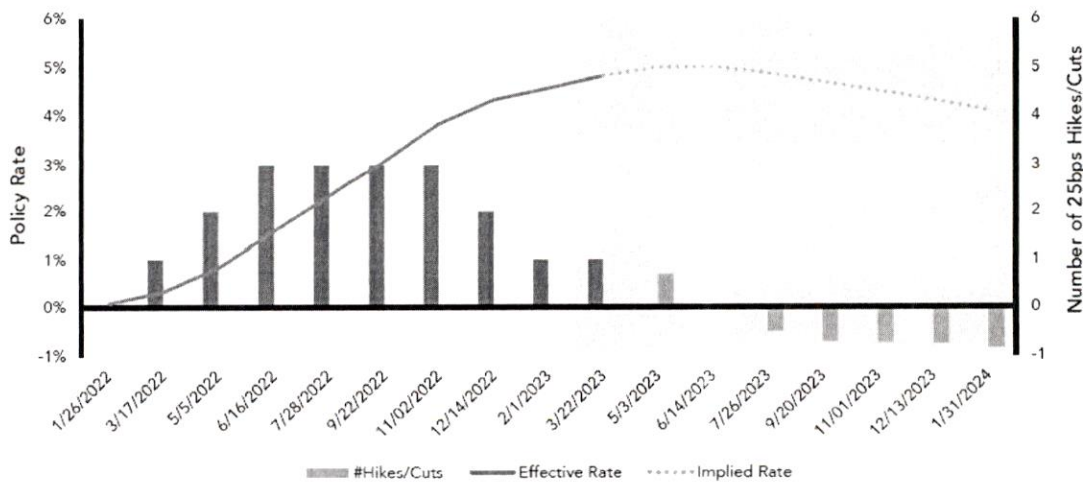
2023 YTD	2022	2021	2020	2019	2018	2017	2016	2015	2014	5yr	10yr
Intl Large Cap 8.5%	Commodities 26.0%	Commodities 40.4%	Broad U.S. Equities 20.9%	Large Cap 31.5%	Real Estate 6.7%	Emerging Markets 37.3%	Small Cap 21.3%	Real Estate 13.3%	Large Cap 13.7%	Large Cap 11.2%	Large Cap 12.2%
Large Cap 7.5%	Real Estate -1.1%	Large Cap 28.7%	Small Cap 20.0%	Broad U.S. Equities 31.0%	Hedge Funds 4.8%	Intl Small Cap 33.0%	High Yield 17.1%	Intl Small Cap 9.6%	Mid Cap 13.2%	Broad U.S. Equities 10.5%	Broad U.S. Equities 11.7%
Broad U.S. Equities 7.2%	Bank Loans -4.3%	Broad U.S. Equities 25.7%	Large Cap 18.4%	Mid Cap 30.5%	Bank Loans 1.1%	Broad Intl Equities 27.2%	Mid Cap 13.8%	Large Cap 1.4%	Broad U.S. Equities 12.6%	Mid Cap 8.1%	Mid Cap 10.1%
Broad Intl Equities 6.9%	Hedge Funds -4.3%	Mid Cap 22.6%	Emerging Markets 18.3%	Small Cap 25.5%	Core Bond 0.0%	Intl Large Cap 25.0%	Broad U.S. Equities 12.7%	Core Bond 0.5%	Real Estate 11.8%	Real Estate 6.1%	Small Cap 8.0%
Intl Small Cap 4.9%	High Yield -11.2%	Real Estate 17.7%	Mid Cap 17.1%	Intl Small Cap 25.0%	High Yield -2.1%	Large Cap 21.8%	Large Cap 12.0%	Broad U.S. Equities 0.5%	Core Bond 6.0%	Commodities 4.9%	Real Estate 7.7%
Mid Cap 4.1%	Core Bond -13.0%	Small Cap 14.8%	Intl Small Cap 12.3%	Intl Large Cap 22.0%	Large Cap -4.4%	Broad U.S. Equities 21.1%	Commodities 11.4%	Bank Loans -0.4%	Small Cap 4.9%	Hedge Funds 4.8%	Intl Small Cap 5.9%
Emerging Markets 4.0%	Intl Large Cap -14.5%	Intl Large Cap 11.3%	Hedge Funds 11.8%	Broad Intl Equities 21.5%	Broad U.S. Equities -5.2%	Mid Cap 18.5%	Emerging Markets 11.2%	Intl Large Cap -0.8%	Hedge Funds 3.0%	Small Cap 4.7%	Intl Large Cap 5.0%
High Yield 3.6%	Broad Intl Equities -16.0%	Hedge Funds 10.2%	Broad Intl Equities 10.7%	Emerging Markets 18.4%	Mid Cap -9.1%	Small Cap 14.6%	Bank Loans 9.9%	Hedge Funds -1.1%	High Yield 2.5%	Bank Loans 3.5%	Hedge Funds 4.6%
Bank Loans 3.1%	Mid Cap -17.3%	Intl Small Cap 10.1%	Intl Large Cap 7.0%	Commodities 17.6%	Small Cap -11.0%	Hedge Funds 8.6%	Real Estate 8.0%	Mid Cap -2.4%	Bank Loans 2.1%	Intl Large Cap 3.5%	Broad Intl Equities 4.2%
Core Bond 3.0%	Large Cap -18.1%	Broad Intl Equities 7.8%	Core Bond 14.3%	High Yield 14.3%	Intl Large Cap -13.8%	High Yield 7.5%	Hedge Funds 5.4%	Small Cap -4.4%	Emerging Markets -2.2%	High Yield 3.2%	High Yield 4.1%
Small Cap 2.7%	Broad U.S. Equities -19.2%	Bank Loans 5.4%	High Yield 7.1%	Hedge Funds 10.5%	Commodities -13.8%	Real Estate 7.0%	Broad Intl Equities 4.5%	High Yield -4.5%	Broad Intl Equities -3.9%	Broad Intl Equities 2.5%	Bank Loans 3.9%
Hedge Funds 1.2%	Emerging Markets -20.1%	High Yield 5.3%	Bank Loans 2.8%	Core Bond 8.7%	Broad Intl Equities -14.2%	Commodities 5.8%	Core Bond 2.6%	Broad Intl Equities -5.7%	Intl Large Cap -4.9%	Core Bond 0.9%	Emerging Markets 2.0%
Commodities -4.9%	Small Cap -20.4%	Core Bond -1.5%	Real Estate 1.6%	Bank Loans 8.2%	Emerging Markets -14.6%	Bank Loans 4.2%	Intl Small Cap 2.2%	Emerging Markets -14.9%	Intl Small Cap -4.9%	Intl Small Cap 0.9%	Core Bond 1.4%
Real Estate* -5.0%	Intl Small Cap -21.4%	Emerging Markets -2.5%	Commodities -23.7%	Real Estate 6.4%	Intl Small Cap -17.9%	Core Bond 3.5%	Intl Large Cap 1.0%	Commodities -32.9%	Commodities -33.1%	Emerging Markets -0.9%	Commodities -3.8%

Source: Bloomberg as of March 31, 2023. *Real Estate returns are 4Q 2022. Please see end of document for benchmark information.

Mr. Obed noted that rates are expected to go up 25 basis points in May, which will have an impact on the market.

Rate expectations

Futures are pricing in one additional 25bps hike in May; expected rate cuts in the back half of the year may be overly optimistic



Source: Bloomberg as of April 12, 2023

Mr. Obed discussed Silicon Valley Bank and noted that their demise was a material macro event in the economy.

SVB

A concentrated deposit base and an outsized securities portfolio contributed to SVB's demise

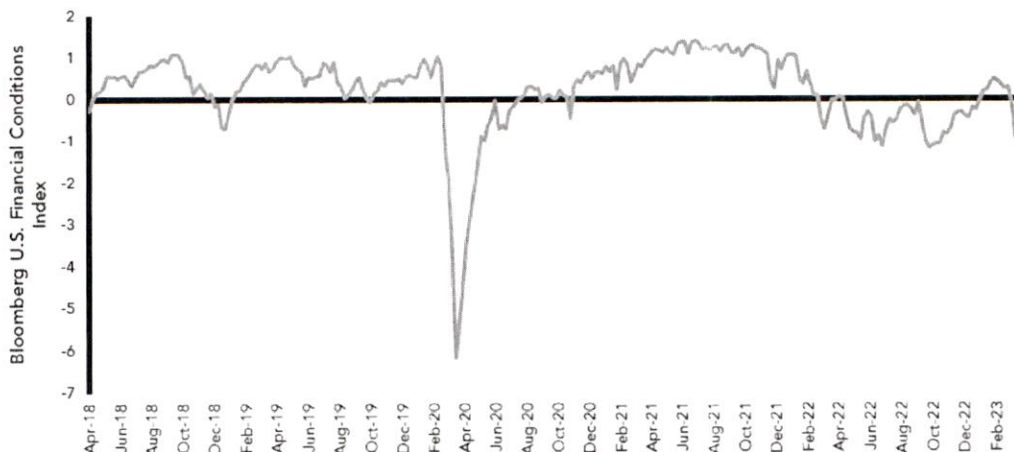


Source: Bloomberg Intelligence as of December 31, 2022

Mr. Obed stated that while the market has recently done well, there may be a bumpy road ahead.

Financial conditions

Financial conditions fell into restrictive territory in March; tighter credit could slow economic growth and reduce the need for higher rates



Source: Bloomberg as of March 31, 2023;

He noted that Fixed Income has had a decent first quarter and has posted positive returns, both MTD and QTD.

Fixed income performance

After a volatile quarter that saw large swings in interest rates, rates rallied in March to drive positive total returns across most markets

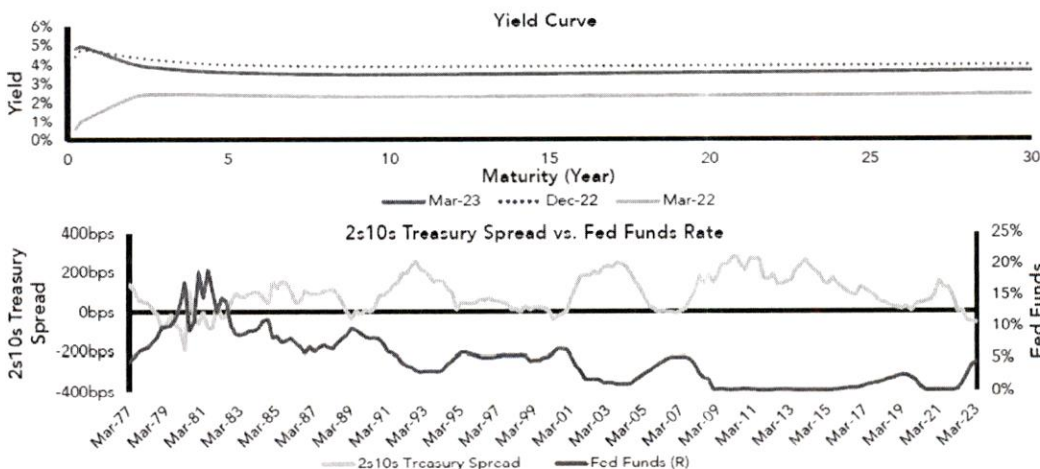
		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Broad Market Index	Blm Aggregate	2.5	3.0	3.0	-4.8	-2.8	0.9	1.4
Intermediate Index	Blm Int. Gov./Credit	2.3	2.3	2.3	-1.7	-1.3	1.4	1.3
Government Only Indices	Blm Long Gov.	4.7	6.2	6.2	-15.9	-11.2	-0.4	1.4
	Blm Int. Gov.	2.4	2.3	2.3	-1.5	-2.3	1.1	0.9
	Blm 1-3 Year Gov.	1.6	1.6	1.6	0.2	-0.8	1.1	0.8
Credit Indices	Blm U.S. TIPS	2.9	3.3	3.3	-6.1	1.8	2.9	1.5
	Blm U.S. Long Credit	4.1	5.4	5.4	-11.3	-2.6	1.1	2.9
	Blm High Yield	1.1	3.6	3.6	-3.3	5.9	3.2	4.1
	CS Leveraged Loan Index	-0.1	3.1	3.1	2.1	8.4	3.5	3.9
Securitized Bond Indices	Blm MBS	1.9	2.5	2.5	-4.9	-3.3	0.2	1.0
	Blm ABS	1.3	1.9	1.9	0.4	0.6	1.6	1.4
	Blm CMBS	1.0	1.7	1.7	-4.1	-1.3	1.3	1.8
Non-U.S. Indices	Blm Global Aggregate Hedged	2.2	2.9	2.9	-3.9	-2.1	1.0	1.9
	JPM EMBI Global Diversified	1.0	1.9	1.9	-6.9	0.0	-0.6	2.0
	JPM GBI-EM Global Diversified	4.1	5.6	5.6	-0.7	0.9	-2.4	-1.5
Municipal Indices	Blm Municipal 5 Year	1.9	1.9	1.9	1.8	0.7	1.7	1.6
	Blm HY Municipal	1.6	2.7	2.7	-4.5	2.7	3.1	3.6

Source: Bloomberg, Credit Suisse, JPMorgan as of March 31, 2023. The local currency GBI index is hedged and denominated in U.S. dollars.

Mr. Obed stated that US Treasury curve still points to inversion due to recessionary pressures in the economy.

U.S. Treasury yield curve and steepness

The inversion of the yield curve between 2- and 10-year Treasuries persists as front-end rates remain high and back-end rates flattened



Source: Bloomberg, Federal Reserve as of March 31, 2023

He noted the US Equity Market had a strong first quarter, with returns in the high single digits or low double digits.

U.S. equity performance

A tough March weighed on small-cap value; growth indices started 2023 strongly

		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Broad Market Indices	Dow Jones	2.1	0.9	0.9	-2.0	17.3	9.0	11.1
	Wilshire 5000	2.8	7.3	7.3	-8.6	18.8	10.7	11.9
	Russell 3000	2.7	7.2	7.2	-8.6	18.5	10.5	11.7
Large-Cap Market Indices	S&P 500	3.7	7.5	7.5	-7.7	18.6	11.2	12.2
	Russell 1000	3.2	7.5	7.5	-8.4	18.6	10.9	12.0
	Russell 1000 Value	-0.5	1.0	1.0	-5.9	17.9	7.5	9.1
	Russell 1000 Growth	6.8	14.4	14.4	-10.9	18.6	13.7	14.6
Mid-Cap Market Indices	Russell Mid-Cap	-1.5	4.1	4.1	-8.8	19.2	8.1	10.1
	Russell Mid-Cap Value	-3.1	1.3	1.3	-9.2	20.7	6.5	8.8
	Russell Mid-Cap Growth	1.4	9.1	9.1	-8.5	15.2	9.1	11.2
Small-Cap Market Indices	Russell 2000	-4.8	2.7	2.7	-11.6	17.5	4.7	8.0
	Russell 2000 Value	-7.2	-0.7	-0.7	-13.0	21.0	4.5	7.2
	Russell 2000 Growth	-2.5	6.1	6.1	-10.6	13.4	4.3	8.5

Source: Bloomberg as of March 31, 2023

Mr. Obed stated the Global Equity Market had a good start to 2023, though not as strong as the US market.

Global equity performance

Non-U.S. equity markets posted a strong start to 2023

		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Global Equity Market Indices	MSCI ACWI	3.1	7.3	7.3	-7.4	15.4	6.9	8.1
	MSCI ACWI ex. U.S.	2.4	6.9	6.9	-5.1	11.8	2.5	4.2
Developed Markets Indices	MSCI EAFE	2.5	8.5	8.5	-1.4	13.0	3.5	5.0
	MSCI EAFE Local	0.5	7.5	7.5	3.8	14.6	6.2	7.3
Emerging Markets Indices	MSCI Emerging Markets	3.0	4.0	4.0	-10.7	7.8	-0.9	2.0
	MSCI EM Local	2.2	3.8	3.8	-6.6	8.8	1.9	5.0
Small-Cap Market Indices	MSCI EAFE Small-Cap	-0.2	4.9	4.9	-9.8	12.1	0.9	5.9
	MSCI EM Small-Cap	0.9	3.9	3.9	-11.0	20.7	1.8	3.2
Frontier Markets Index	MSCI Frontier	1.2	3.1	3.1	-17.5	7.9	-2.8	2.7

Performance Overview - General Employees' Pension Plan

Mr. Obed stated that the General Plan was the beneficiary of strong market returns in March and is up 6.6% FYTD.

He provided the Board with the following current preliminary market values (MTD – Month to Date; FYTD – Fiscal Year to Date; YTD – Year to Date) as of March 31, 2023.

MTD Performance (as of 3/31/2023)

Total Fund Composite: 1.6%
 Total Fund Policy Benchmark: 1.4%

FYTD Performance (as of 3/31/2023)

Total Fund Composite: 6.6%
 Total Fund Policy Benchmark: 5.4%

YTD Performance (as of 3/31/2023)

Total Fund Composite: 4.8%
 Total Fund Policy Benchmark: 4.3%

Mr. Obed presented the top and bottom performers in the General Plan and noted they were as expected due to their strategy. No changes are recommended at this time.

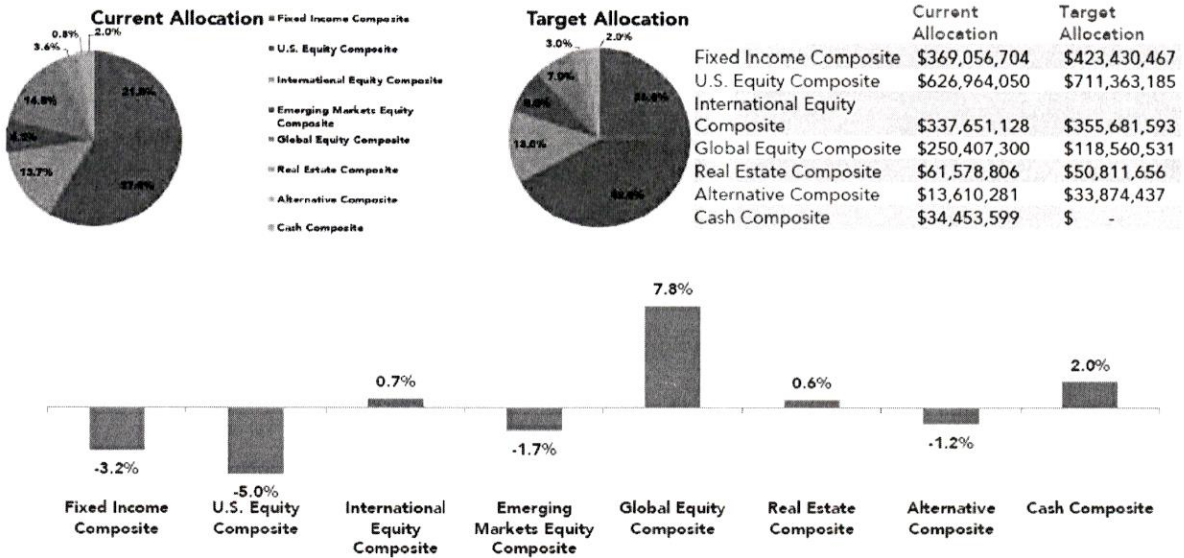
COA General Employees’ Manager Contribution – YTD Performance

Top Performers	Absolute Performance	Benchmark Performance	Strategy
Channing SCV	3.6%	-0.7%	U.S. Equity
Earnest SCC	5.8%	2.7%	U.S. Equity
Hardman Johnston	8.9%	6.9%	International Equity

Bottom Performers	Absolute Performance	Benchmark Performance	Strategy
Union Heritage	5.3%	7.5%	U.S. Equity
Legato SCG	5.0%	6.1%	U.S. Equity

Mr. Obed showed the actual versus target allocation for the General Plan.

COA General Employees' Asset Allocation vs Target Allocation



Performance Overview – Police Officers’ Pension Plan

Mr. Obed provided the Board with the following current preliminary market values (MTD – Month to Date; FYTD – Fiscal Year to Date; YTD – Year to Date) as of March 31, 2023. The Police Officers’ Plan had similar results compared to the General Plan, with a positive return for the month. The Plan is up 6.7% FYTD.

MTD Performance (as of 3/31/2023)

Total Fund Composite: 1.2%
 Total Fund Policy Benchmark: 1.0%

FYTD Performance (as of 3/31/2023)

Total Fund Composite: 6.7%
 Total Fund Policy Benchmark: 6.0%

YTD Performance (as of 3/31/2023)

Total Fund Composite: 4.4%
 Total Fund Policy Benchmark: 4.1%

Mr. Obed presented the top and bottom performers in the Police Plan and noted they were as expected due to their strategy. No changes are recommended at this time.

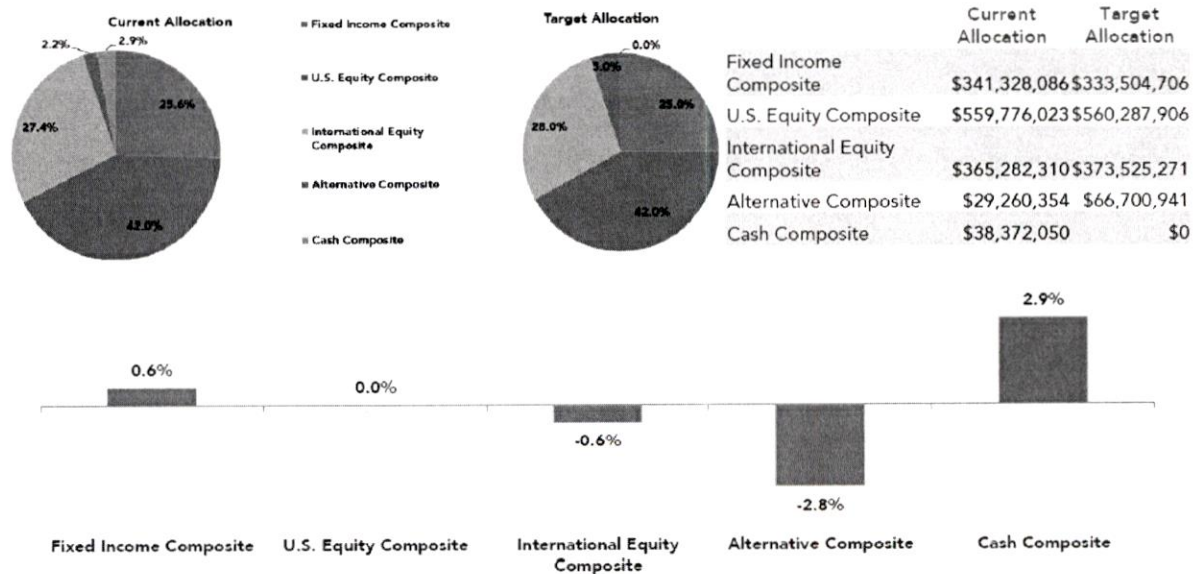
COA Police Officers' Manager Contribution – YTD Performance

Top Performers	Absolute Performance	Benchmark Performance	Strategy
Earnest SCC	5.8%	2.7%	U.S. Equity
Hardman Johnston	8.9%	6.9%	International Equity
Brown SC	6.5%	4.7%	International Equity

Bottom Performers	Absolute Performance	Benchmark Performance	Strategy
Driehaus SCG	4.1%	6.1%	U.S. Equity
Intercontinental	-3.8%	-3.3%	U.S. Real Estate

Mr. Obed showed the actual versus target allocation for the Police Plan.

COA Police Officers' Asset Allocation vs Target Allocation



Performance Overview – Fire Fighters’ Pension Plan

Mr. Obed provided the Board with the following current preliminary market values (MTD – Month to Date; FYTD – Fiscal Year to Date; YTD – Year to Date) as of March 31, 2023. He noted the Fire Fighters’ Plan returns are similar to Police and General Plan returns for the month. The Plan is up 5.8% FYTD.

MTD Performance (as of 3/31/2023)

Total Fund Composite: 1.2%
 Total Fund Policy Benchmark: 1.1%

FYTD Performance (as of 3/31/2023)

Total Fund Composite: 5.8%
 Total Fund Policy Benchmark: 5.1%

YTD Performance (as of 3/31/2023)

Total Fund Composite: 4.2%
 Total Fund Policy Benchmark: 3.9%

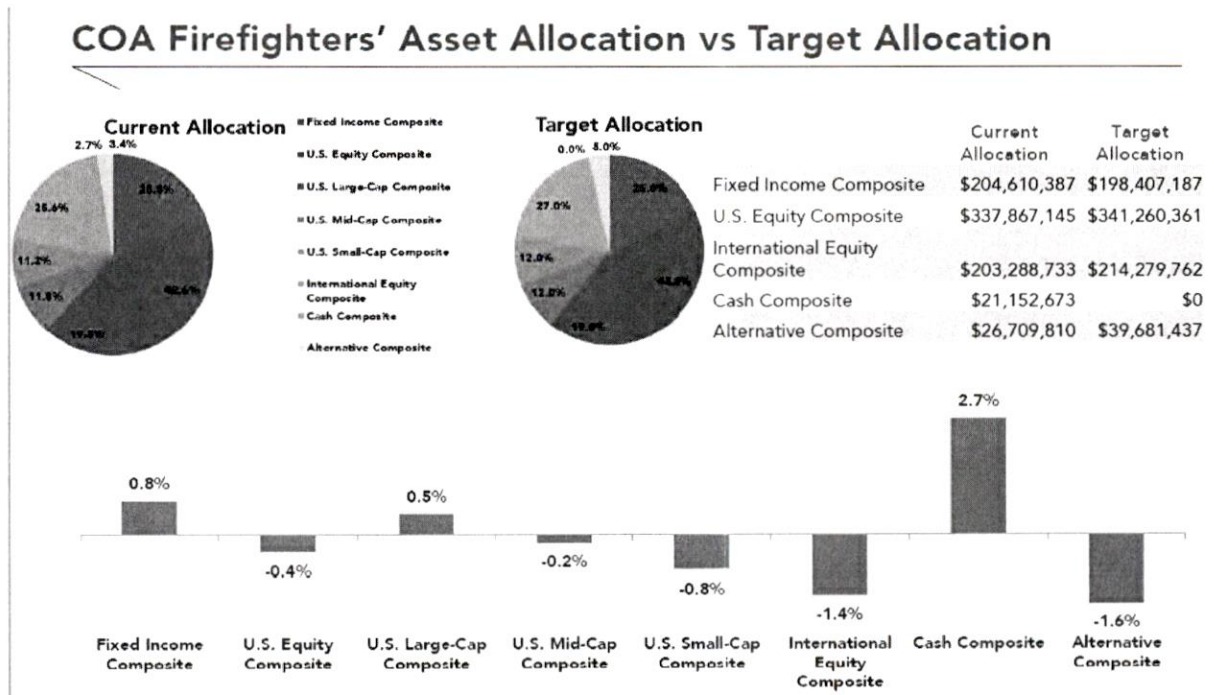
Mr. Obed presented the top and bottom performers in the Fire Plan and noted they were as expected due to their strategy. No changes are recommended at this time.

COA Firefighters’ Manager Contribution – YTD Performance

Top Performers	Absolute Performance	Benchmark Performance	Strategy
Earnest SCC	5.8%	2.7%	U.S. Equity
Ativo	9.2%	6.9%	International Equity
Hardman Johnston	8.9%	6.9%	International Equity

Bottom Performers	Absolute Performance	Benchmark Performance	Strategy
Driehaus SCG	4.1%	6.1%	U.S. Equity
Intercontinental	-3.8%	-3.3%	U.S. Real Estate

Mr. Obed showed the actual versus target allocation for the Fire Plan.



Mr. Berry asked if the asset mix strategy approved at the last Board meeting was now in effect and Mr. Obed noted Marquette is working towards that asset allocation. He added that it typically takes a couple of quarters to completely hit a new allocation mix. Mr. Obed also stated that in the next month or two, Marquette will meet with the Review Committee to look at new investment manager recommendations.

Mr. Light asked if Marquette had any responses from the investment managers about fee reductions and Mr. Obed noted that, as Marquette is working with the different managers to rebalance, they will ask for reductions.

VII. NEW BUSINESS

Actuary Report: Update on Design Study and GASB Reports

Ms. Cooper gave an update on the plan design study and noted that programming is complete for the General Plan and is in progress for the Police and Fire Plans. She has also been meeting with the three Administrative Committees. Furthering Mr. Emerson’s earlier comment on the fees for the plan design study, Ms. Cooper added that the funding could shift to the City by making the fees a pass-through cost whereby the City would reimburse the three Pension Plans by increasing the Actuarial Required Contribution by \$10,000 per plan. Mr. Balla noted that he was looking forward to seeing the results so informed decisions could be made and added that enhancements to the pension plans have been requested by many front-line workers. Mr. Lewis asked if the price tag for the study would be \$10,000 instead of \$30,000 if the three Pension Plans were combined as one plan. Ms. Cooper stated that due to separate provisions of the three plans, there is not a way to combine the programming. Even if that was changed,

the results need to be checked for various groups within each of the plans. Mr. Lewis also questioned the flat rate for each of the three plans due to their different sizes. Ms. Cooper noted that each plan had to be checked separately, even though the Fire and Police plans are similar. Ms. Cooper also stated the General Plan has requested a review of the interest rate used when employee contributions plus interest are returned as a lump sum to a terminated participant. She noted that request could be included in a subsequent phase to this study since the list of items for the current study has already been set.

A motion was made by Mr. Lewis to authorize the City to reimburse the three Pension Plans \$10,000 each to fund the design study through increased employer contributions to the Plans. The motion was seconded by Mr. Balla. The motion unanimously carried and the payment method for the Segal pension redesign study was approved.

Ms. Cooper also stated the GASB reports have been delivered to Finance and are also available for Committee Members at the back of the room.

VIII. OLD BUSINESS

There was no Old Business to discuss this month.

IX. QUESTIONS AND COMMENTS FROM AUDIENCE

There were no questions or comments at this time.

X. DATE OF NEXT MEETING

The next Board meeting will be held on Wednesday, May 17, 2023. The meeting will be in person at Atlanta City Hall in Committee Room 1.

XI. ADJOURNMENT

There being no further business to be brought before the Board at this time at 10:48 a.m. Chairman Brand called for adjournment.

Respectfully Submitted,



David Brand, Chairman

These minutes were adopted on May 17, 2023